Tutu Vows to Defy Ban on Funerals; Black Lawyer Killed

By Allister Sparks Vastungton Post Foreign Service

TUMAHOLE, South Africa, Aug. 1—Nobel Peace Prize winner Bishop Desmond Turu, speaking one day after the government banned political funerals in many black townships, vowed today that he was ready to defy the ban and go to jail.

Addressing a funeral crowd of about 8,000 in Tumahole township, which lies just outside the emergency area and is not subject to the ban, Tutu made an emotional appeal to the white minority government to lift the restriction which he said would worsen the country's racial crisis by creating a new point of confrontation.

"I beg the authorities; don't test us," Tutu implored. "I don't want to break the laws of this land, but if they pass laws which are quite unjust, quite intolerable, then I will break that law even if it means that I have to go to jail."

It was a day of intensified racial conflict, with a black civil rights lawyer reportedly shot dead by four hooded gunmen in a Durban township and a black police officer killed in a shootout with a guerrilla band near the port city of East London.

Friends of the civil rights lawyer, Victoria Nxenge, 43, said she was shot dead by four gunnen outside her home in Umlazi township.

There was rioting after her husband Griffiths Nxenge, also a civil rights lawyer, was assassinated in 1981.

Victoria Nxenge took over her husband's law practice. She was a supporter of the United Democratic Front, the main black activist organization, and she participated in many political trials.

Friends in Durban said tonight Nxenge was shot in the head as she stepped from her automobile at 7.30 p.m. They said a woman who was with her saw four hooded gunmen speed away in a car.

There have been several cases recently of black activists being killed by men wearing hoods,





prompting allegations that a "hit squad" has been established to eliminate key people. Police say they have no knowledge of such a squad.

The funeral in Turnahole offered some insights into how the black activist organizations are withstanding the attempts by the white authorities to put them out of action with mass arrests under the emergency regulations imposed July 21.

Although the township, which adjoins the small Orange Free State town of Parys, lies just outside the emergency area, local residents say it is being subjected to much the same kind of crackdown by police acting under the country's standing security laws which also permit indefinite detention without charges.

Five community leaders have been detained since the emergency was declared July 21, and four have been in detention for three months. Fifteen others have gone into hiding to avoid detention.

Yet the funeral rally was well See SOUTH AFRICA, A28, Col. 2



South Africa digs in its heels

By Patrick Laurence

Johannesburg

Throughout his career South African President Pieter W. Botha has confronted political enemies eyeball to eyeball — and forced them to back down.

So far, Mr. Botha is responding to the serious internal and external pressures buffeting South Africa in the same steely-eyed

On the international front, Botha has responded with defiance to the withdrawal of the US and French ambassadors. Yesterday's announcement that in addition to France the other countries of the European Community, plus Spain and Portugal, would withdraw ambassadors from South Africa for consultations did not unnerve Botha.

At home he responded this week to the continuing rebellion in black townships by imposing tough new curbs on funeral services. Earlier Botha refused to discuss the rebellion with Bishop Desmond Tutu, the Nobel Peace Prize winner. Botha declared a

state of emergency in 36 districts July 21.

The restrictions on funerals have prompted bitter reactions from black leaders, since those services have been one of the last legal forums for black political expression. At a funeral service yesterday for three unrest victims Bishop Tutu gave advance notice that he would defy the ban on discussion of political issues at funerals.

Perhaps Botha's most defiant reaction to pressure has been his threat to deport 1.5 million foreign blacks from South Africa if the member states of the United Nations impose sanctions against South Africa. The UN Security Council recently voted, with the US and Britain abstaining, in favor of voluntary sanctions. France has already banned new investments.

Botha's immediate objective in threatening expulsion of black workers seems to be twofold: (1) to reassure his followers at home that he does not cower in the face of foreign pressure and (2) to prod some of South Africa's black-ruled neighbors to speak out loudly against international sanctions aimed at South Africa.

The possibility of expelling black laborers emphasizes South Africa's economic power in the subcontinent and its ability to inflict economic damage on its neighbors.

Foreign Minister Roelof Botha insisted that the President was not threatening South Africa's neighbors but merely spelling out the consequences for them of world sanctions.

South African news media, however, have chosen to see President Botha's statement as a threat. A pro-government Afrikaans newspaper headlined its front page: "SA hits back! Retaliatory plan after UN decision."

Use by Pretoria of its economic power against its neighbors would, of course, be costly to South Africa as well as to its neighbors. It is perhaps for that reason that organized commerce and industry greeted Botha's threat with somber silence rather than applause.

South Africa's neighbors are economically vulnerable

in three areas: labor, transport, and trade.

Black migrant labor comes from five neighboring states: Lesotho, Mozambique, Botswana, Malawi, and Swaziland. Forty percent of the total migrant black labor force work in the mines. More than half of the migrant miners come from Lesotho, which is most vulnerable to

repatriation of its workers.

The number of Lesotho nationals earning wages in South Africa is twice the number earning a living in their home country. Remittances from Lesotho miners account for 40 percent of the nation's gross income.

Sudden repatriation would, in the words of an official report, "pauperize the majority of Lesotho households." Even phased withdrawal by Lesotho of its migrant workers is not a realistic option, according to Gavin Maasdorp of the University of Natal.

South Africa's dominance of the subcontinent's transportation network is evident from its possession of 75 percent of the railway lines and of the region's most efficient poets

Much of the trading activity of the black-ruled states is routed through South Africa. In the cases of Zimbabwe, Malawi, and Zambia more than half of their trade flows through South Africa. The dependence of Botswana, Lesotho, and Swaziland is even greater.

The dependency is accentuated by the guerrilla wars in Angola and Mozambique, where rebels allegedly backed by Pretoria repeatedly sabotage rail links with the ports of Lobito in Angola and Maputo in Mozambique, forcing goods from Zambia and Zimbabwe to take longer routes through South Africa.

It is significant that during the drought of 1983-84 consignments of food relief from abroad destined for other African countries were landed at South African ports.

The same dependence on South Africa is reflected in trade. About 90 percent of imports, including vital foodstuffs, to Botswana, Lesotho, and Swaziland come from South Africa, either from South African companies or from South African-based foreign companies. South Africa remains a major trading partner of Zimbabwe, has become Zambia's second most important supplier, and is the chief source of goods for Malawi and Mozambique.

Costs of repatriation to South Africa itself are most easily measured by looking at the mining industry, one of the few bouyant sectors of the nation's economy. Any abrupt expulsion of foreign miners would be as harmful to South Africa as it would be to its neighbors.

That is particularly true in the case of the miners from Lesotho, who are among the most skilled and industrious in South Africa's vital gold mining industry, particularly when it comes to highly specialized deep mining.

They are not easily replaced. Sudden dismissal would be thoroughly disruptive to the gold mines, which remain South Africa's biggest foreign exchange earner.

Moreover, as Erich Leistner of the Africa Institute, a research group in Pretoria, has noted, removal of foreign migrant workers could well strengthen the bargaining position of the National Union of Mineworkers. The black union is threatening to strike over a wage dispute.

Repatriation of thousands of workers from Mozambique would be in direct violation of a recent agreement between South Africa and Mozambique and contrary to the spirit of the Nkomati Accord signed between the two countries in March last year.

But these constraints do not mean that President Botha's warning of retaliatory action is an idle threat or a mere game of brinkmanship. In the past Pretoria has used its economic power as a political weapon.

It did so when it repatriated thousands of black workers from neighboring Zimbabwe in 1981-82 in response to the hostile attitude of the Zimbabwe prime minister, Robert Mugabe. It imposed a partial economic blockade on

Continued on page 4

Gold Can't Save Apartheid

More swiftly than anyone foresaw, South Africa's choices are being narrowed. The country's white rulers seem incapable even of a gesture of conciliation to nonviolent blacks like Bishop Tutu, and this has the effect of encouraging civil if not revolutionary disobedience. Though isolated as never before and the target of multiplying sanctions, South Africa's leaders no doubt have the power to put down this summer's defiance. But they seem to be condemning their country to a downward cycle of repression and recession.

To a degree, South Africa's economy is sanction-proof. Its resources and economic reserves are sufficient to weather most short-term calamities, even the strike now threatened by the union of black mine workers. Most whites live comfortably by Western standards, luxuriously by Africa's; a bottle of Scotch is still \$6. South Africa is well prepared for foreign retribution; it can get by with its own energy

Yet the future must look bleak in Pretoria these days. President P.W. Botha's two-week-old state of emergency for many black areas has failed to restore order. And in the unsentimental verdict of money men, the country's future is uncertain. In a fortnight, the value of South African gold stocks has plunged by one-fifth. This follows a two-year world-wide decline from \$460 to about \$325 an ounce, in a commodity that provides half the country's foreign

The emergency has dramatized a parallel decline in the dollar value of South Africa's currency. One day last week, on the mere report that a major American bank would no longer lend to South Africans, the rand dipped by 6 cents, or 12 percent. The bank turned out to be Chase Manhattan, and its largely symbolic action is sure to be followed by others

Often enough, Pretoria has been able to shrug off market fluctuations, diplomatic ostracism and domestic turmoil. Its hard-boiled calculation has been that the world's desire for gold would always outweigh scruple and leave its corner of Africa safe for apartheid. But the application of sanctions abroad and the agitation of black unions at home suggest that the regime cannot count indefinitely on buying its way out of trouble.

Underscoring that message is certainly the intent of the United States Congress, which seems likely to vote for at least mild economic sanctions this fall. Even President Reagan, who has wanted to appear as Pretoria's friend, has hinted that he may sign such a measure. Though the President perceives more positive reform in South Africa than most observers, he recognizes the need for "fluctuations" of tone, as he put it yesterday, in pressing for

the end of apartheid.

Incredibly, in these circumstances, President Botha cannot bring himself to meet with Bishop Tutu or other black moderates whose influence over younger blacks is fast fading. Having falsely branded the bishop an extremist, Mr. Botha is trapped by his own propaganda and unable to justify political negotiation with blacks to his more extreme white followers. Looking back upon this summer, the Afrikaners may one day wish they could recapture the moment when blacks still stood ready to engage them in nonviolent bargaining.

Better than a veto

When the Senate reconvenes after its August holiday, it will have to take up those House-passed sanctions against South Africa. Not that the good senators will be reluctant. The sanctions are cheap morality after all, and far be it from most senators to miss a chance to support that. Meanwhile, pundits make wagers on whether President Reagan will veto this farrago of false rectitude.

If the Gipper feels assertive, a veto is nearly certain. He understands better than anyone on the Hill - even, alas, the Conservative Opportunists — that political interference in normal economic behavior will hurt South Africa's blacks most of all. Nothing has contributed to liberality in that beleaguered country, nor hastened the demise of apartheid, so much as American invest-

That President Reagan showed Congress who was boss in the recent budget imbroglio suggests that he has a renewed appreciation of principled responses. Considered in the strict context of a philosophical issue, a presidential veto would be exactly the proper gesture. And if explained to the nation by the Great Communicator, it would do much for the apolitical nature of human progress. A veto it should be, then.

Still, the sanctions furnish the president with a chance to do some high-minded manuevering. Mr. Reagan could quietly hold out to South Africa's President P.W. Botha a veto carrot, in exchange for having Mr. Botha drop his repressive state of emergency decree, which not only exacerbates the crisis in South Africa, but also inflames our moralistic congressmen. And he could arrange some unambiguous power-sharing with moderate black leaders, such as Zulu chief Mangosuthu Gatsha Buthelezi.

Mr. Reagan should withhold his decision on the sanctions until he has engaged himself constructively, shall we say, on the matter. Though Mr. Botha has shown no talent in the art of defusing a revolutionary tinderbox, he can legitimately take credit for repealing the bulk of petty apartheid. The terrible irony is that his impulse toward liberalization gave rise to greater expectations and violence. What is left to bring down is the retrograde relocation program and the more egregious

suppression of political rights.
Call it statesmanship or high pragmatism, but - thanks to the sainted boobs of Congress - Mr. Reagan has an opportunity to redeem his much-maligned South African

policy.

SOUTH AFRICA DIGS IN (Continued)

another neighbor, Lesotho, in 1983 to force it to expel cadres of the outlawed African National Congress.

Botha has choices other than the stark alternatives of immediate and massive repatriation of foreign workers or passive quiescence. Analysts here point out he could move on a selective basis. For instance, he might tighten up controls against illegal immigration from the north and impose a quota on Lesotho miners that might be reduced every six months.

The Washington Post

AN INDEPENDENT NEWSPAPER

A Country's Mourning

THAT COULD be more cruel to the blacks current turmoil. A sensible politician would have of South Africa than to deny them their chosen manner of mourning? Yet that is precisely what the white-minority government has done in the large areas covered by its state of emergency. Hundreds of blacks have been killed in recent months in the torment induced by apartheid. Funerals were the last legal place where blacks could come together; there is no doubt that they were taking on a political aspect. The Botha government, facing once again a choice between a reasonable and a repressive line, once again took the latter. It imposed new restrictions on funerals "of people who die of unnatural causes."

Bishop Desmond Tutu, the Notel peace laureate, caught the full and hideous irony. "Please allow us to bury our people who died because of apartheid," he said yesterday. "Don't rub salt in our wounds." He was speaking at a funeral—one that apparently fell within the limits permitted by the new decree -of three people who had been killed in a clash with police after an earlier funeral. This is the situation: apartheid crushes blacks, denies them a political channel for protest and now denies them also a forum of lament for those who die at the system's hands.

It could be different. Just a few days ago, for instance, Bishop Tutu solicited a meeting with Presigrasped the hand of one of the diminishing band of black moderates. Instead Mr. Botha spurned Bishop Tutu. He demanded not only that the bishop repudiate violence—which he has already done, repeatedly and at great risk to his own life. He also insisted that the bishop repudiate civil disobedience, which, if he did it, would leave blacks on their knees saying pretty please to a regime that has earned their massive distrust.

The government, of course, sees it another way. Even some of its occasional internal critics are defending it these days, claiming that the reforms that have been promised if not yet entirely delivered by the Botha government have not been adequately appreciated by either South African blacks or foreigners. The government seems to have almost no sense of the too-little, too-late aspect of its reforms and of the desperation and evaporating patience of the black majority.

The West-even the United States is moving toward what are in fact rather mild economic sanctions against South Africa. The South African supporters of the government feel bruised and are trying not to show panic. They need to see the sanctions not as a reprisal but as a demand that they reach out to the South African blacks who are in a position to speak for their people and to lead dent P. W. Botha to address the issues behind the them to a peaceable and just solution.

Bashing the Boers-

Taking time out from tying itself into knots over its own budget. Congress has undertaken to solve the racial problem in South Africa. Everyone, not least us, agrees that a certain amount of pressure on the South African government is a good thing. Yet the bill for sanctions against South Africa is too easy a vote, precisely because apartheid has no American supporters, and because no one's district will suffer the consequences if the

measure backfires.

The nuclear-freeze movement having vanished from the headlines, bashing the Boers has suddenly become the approved outlet for demonstrating your own morality. Even the French, who have made opposition to economic diplomacy a national policy, joined the game by leading the U.N. battle for trade sanctions against the South Africans. House-Senate conferees put together a bill to ban new bank loans to the South African government, halt the sale of nuclear technology to South Africa and ban the import of Krugerrands.

When moral fads are running full tide, it's hard to express any reservations without being accused of being in favor of nuclear holocaust or apartheid. So we're glad to see the White House raising questions about the particulars of the sanctions; there are certain practical questions involved.

One, for example, is the not-so-trivial matter of the General Agreement on Tariffs and Trade. South Africa has full Most Favored Nation status. and the import ban for political reasons almost surely breaks GATT rules prohibiting nations from unilateral actions disrupting the trading order. With growing protectionist sentiment threatening the world economy, this would be an unhappy precedent, indeed potentially a haunting one.

On the more immediate issue. sanctions are likely to hurt South African blacks, as Alan Paton has said in South Africa and Larry Speakes said

at the White House yesterday. A Krugerrand sells in the U.S. for about \$340. Of this the South African government receives 40 cents for a minting fee, while black miners receive about \$50. Some 50,000 blacks work in the South African gold mines, supporting five or six dependents each. Striking against Krugerrands is dirt cheap in Washington, but for the black community in South Africa it will be an expensive symbol indeed.

Then there is the matter of the timing of the latest moralistic fad. Under quiet pressure from the Reagan administration and a more realistic view of its own long-run interests, the Botha government in South Africa has lately been moving toward reform. Its steps seem painfully small from an American perspective, though much larger in a South African one. Yet surely they are in the right direction. and have met not with encouragement but with an escalation of demonstrations and controversy.

The present crisis pretty much got under way when the leftist Trans-Africa, Inc. stirred up public temper in the U.S. Only later did the confiagration spread to South Africa, where it was orchestrated in part by the African National Congress, a socialist outfit that eschews moderation for radicalism. An especially ugly part of the recent violence in South Africa has been the killing of black moderates by black radicals. The Botha regime, finding its reforms anything but rewarded, has turned to a new round of arrests and repression.

Throwing official sanctions into this tinderbox scarcely strikes us as a prudent way to avert or at least postpone a South African maelstrom. Trying to reform apartheid is a delicate task of diplomacy, and Congress ought to leave it to the executive branch, at least until it has dealt with the domestic problems the Constitution defines as its business.





Congress Votes Supplemental Spending Of \$13 Billion; South Africa Bill Stalls

By PAUL DUKE JR. And DAVID SHRIBMAN

Staff Reporters of THE WALL STREET JOURNAL

WASHINGTON—Congress, hurrying to complete business before a monthlong recess, approved a \$13 billion supplemental-appropriations bill, but Senate conservatives held up final action on economic sanctions against South Africa.

The supplemental bill, which includes \$2.25 billion in aid to Mideast nations and \$27 million in economic and logistic support for Nicaraguan guerrillas, won final approval after lawmakers worked out a jurisdictional dispute involving 41 water projects.

Meanwhile, the House passed by an overwhelming margin a compromise bill to impose economic sanctions on South Africa, but Senate conservatives led by Sen. Jesse Helms (R., N.C.) threatened a fill-buster and prevented a vote on the compromise before the recess, which begins to-day.

Although eventual Senate approval is all but certain, white House spokesman Larfy Speakes said yesterday that some elements of the bill "do not suit us" adding that President Reagan hasn't decided whether to yet it. Mr. Reagan favors diplomatic pressure and private initiatives by American companies, rather than sanctions, as a means of breaking down the barriers of apartheid.

'Constructive Engagement'

Yesterday's House vote on the comproraise bill, 380-48, was an indication that support for sanctions—a repudiation of the Reagan administration's policy of "constructive engagement"—had grown among conservative Republicans, who opposed the more stringent House version of the bill. The original House version passed 295-127.

"The time has come for us to write the obituary for the policy of constructive engagement," said Rep. Stephen Solarz (D., N.Y.).

House members of both parties said the wide margin made it clear that their chamber could override a veto. Rep. Robert Walker, a conservative Pennsylvania Republican, and 29 other Republicans told the president in a letter that "persistent and escalating violence in South Africa requires our country to respond immediately" and urged Mr. Reagan not to veto the bill.

The House-Senate compromise would prohibit new bank loans to the South African government and block import of Pretoria's krugerrand gold coins. It also would end computer sales to South Africa's military and police, and would ban the sale of nuclear technology.

The bill would require most American companies operating in South Africa to comply with a set of fair-employment and housing principles for blacks. And if South Africa doesn't make progress toward end-

ing apartheid in a year's time, the president would be required to recommend one of several tougher sanctions.

Although Mr. Helms and his allies prevented a final vote on the sanctions yesterday, the Senate voted against a move to table the compromise. The unanimous vote thus represented a procedural gesture that indicated the chamber's support of the compromise.

Water-Projects Construction

The supplemental-appropriations bill won swift approval after lawmakers agreed to forbid new construction of water projects until authorizing legislation is passed, or until May 15, whichever comes first. The compromise was designed to end a jurisdictional wrangle between the authorizing and appropriations committees on water policy.

The dispute arose because 21 of the 41 Army Corps of Engineers water projects in the bill, including river locks, dams and deep-water ports, haven't been authorized by the public works committees of both houses.

The compromise lets the public works committees set broad outlines on water policy. And the deadline is intended to hasten their action. Rep. James Howard (D., N.J.), chairman of the House Public Works and Transportation Committee, called the May 15 deadline "reasonable" and said he hoped authorizing legislation would be passed by year-end.

The bill would prohibit the Central Intelligence Agency and Pentagon from administering and distributing aid to Nicaraguan guerrillas but would allow "interdepartmental consultation," which would open the door to some advisory role for the intelligence agency. White House officials said President Reagan is expected to sign the legislation, which includes \$1.5 billion in aid for Israel; \$500 million for Egypt and \$250 million for Jordan over a two-year period.

Action on the supplemental appropriation came as the House Appropriations Committee approved a \$14.6 billion foreign aid bill for fiscal 1986 that cut money from the president's military aid budget and included language prohibiting any of these funds from being used for aid to Nicaraguan guerrilias.

The Senate also passed, by a voice vote, a \$15.3 billion energy and water appropriations bill for fiscal 1986 that includes continued funding for the Appalachian Regional Commission—targeted for elimination by the Reagan administration but preserved in yesterday's budget agreement—and more funding for the Tennessee Valley Administration than the administration recommended.

It also contains \$7.6 billion for nuclear weapons and materials, including funding for nuclear warheads for such missiles as the cruise, the Pershing II and the MX.



House, 380 to 48, Approves Sanctions Against South Africa

By Joanne Omang

The House gave overwhelming final passage yesterday to a package of economic sanctions against South Africa as several conservatives warned President Reagan that any veto effort would probably be overridden.

The 380-to-48 vete came as administration officials reaffirmed their opposition to sanctions as a method of pressuring South Africa to end its apartheid policy of racial segregation. But the officials stopped short of threatening a veto, saying instead that Reagan continues to support "constructive engagement," or low-key diplomatic pressure for change, and would make a decision on the final measure when it comes before him.

In the Senate, conservatives derailed an effort by Sen. Edward M. Kennedy (D-Mass.) "to get some indication of where the Senate stands" through a test vote. The count was 97 to 0 against tabling, or killing, the measure. That meant final action was put off until after the August recess, avoiding a fill-buster by conservative opponents. Majority Leader R. bert J. Dole (R-Kan.) said eight senators "are prepared to talk at length" against the bill.

As agreed by a House-Senate conference committee Wednesday evening, the bill would ban the importation of the South African krugerrand gold coin, prohibit new U.S. bank loans and nuclear technology transfer, and curb computer sales involving more than \$100,000.

The krugerrand ban could be lifted if the president certifies—and Congress agrees—that South Africa has achieved at least one of eight measures of progress, such as ending forced relocations, freeing its political prisoners or providing full citizenship rights to nonwhites.

If there is no progress at the end of a year, however, the president would be required to recommend at least one of several additional sanctions, including a ban on new U.S. investments in South Africa, prohibition of uranium and/or coal imports or denial of its most-favored-nation tariff status.

White House spokesman Larry
Speakes said the administration had
"a number of complaints" about
those provisions and opposed "anything that would discourage U.S.
investment" on the grounds that
business declines harm black work-

"I think turning away from South Africa and not remaining in contact, to exercise influence, would be the wrong thing to do," Speakes said.

Defense Secretary Caspar W. Weinberger echoed Speakes, saying the United States is "not in a position to make any more enemies as far as countries are concerned." He told the Associated Press in an interview, "We need all the help, all

the friends, all the alliances we can put together."

Weinberger compared the whiteminority South African government to the late shah of Iran, whose overthrow brought in the Islamic fundamentalist regime of Ayatollah Ruhollah Khomeini.

"I've always tried to take the position that we certainly do not want to do anything to perpetuate conditions that we abhor," Weinberger said, referring to apartheid in South Africa. "But we do have to look at alternatives. And I always keep gding back to Iran, where some people a few years ago thought the shah was a very repressive ruler and had a very repressive regime, and paid no attention whatever to the alternatives that would flow from not supporting him.

"And as a result, we have the most repressive government since the Middle Ages (in Iran), and that could have been avoided, in my opinion."

The House vote followed ringing calls for an end to apartheid from a broad range of members. Foreign Affairs Committee Chairman Dante B. Fascell (D-Fla.) said "the whole atmosphere changed" in Congress after South Africa imposed a state of emergency July 7, sparking violence.

In a letter to Reagan, seven conservative House members noted that they had opposed sanctions in the first House vote June 5, but supported the final package as "a fair and reasonable compromise" that has bipartisan support in both chambers.

"The persistent and escalating violence in South Africa requires our country to respond immediately to this crisis," they wrote. "We respectfully urge you not to veto this measure because it is an important statement of U.S. policy for the future." They said they would "actively work" to override any veto.

Signers were Reps. Doug Bereuter (R-Neb.), William S. Broomfield (R-Mich.), Newt Gingrich (R-Ga.), Paul B. Henry (R-Mich.), Robert J. Lagomarsino (R-Calif.), Barbara F. Vucanovich (R-Nev.) and Robert S. Walker (R-Pa.).

Rep. D. French Slaughter Jr. (R-Va.) was the only member of the Maryland or Virginia delegations to oppose sanctions. Four Texans were the only Democrats to join 44 Republicans voting no.

In a Baltimore appearance before the National Association of Black Journalists, Frank G. Wisner, acting assistant secretary of state for African affairs, was asked why "constructive engagement" has failed to prod Pretoria toward significant reforms.

"That's how tough the problem is," he responded. "We have an uphill fight before us, but what we have in front of us is a clear set of objectives."

Staff writer Keith Richburg

William Raspberry

The First Sanctions Won't Cost Much

Will the sanctions approved this week by House-Senate conferees lead to firm-damental change in South Africa?

Maybe not. It's important to remember that it is not in America's power to make South Africa do what it is determined not to do. But it is also important to note that the graduated sanctions agreed to by the conferees offer the best chance America has of helping South Africa steer the tricky course between apartheid and revolution. For four years now, that country has learned to count on America's speaking sternly while carrying a limp noodle for a stick.

It will now have to face up to the new reality that America's good v: Il and cooperation no longer come free.

The initial costs, while symbolically important, are relatively cheap. There would be a ban on U.S. bank loans to the South African government (few-such loans have been made in recent-years), a suspension of nuclear cooperation and a ban on computer sales to South African agencies that implement apartheid as well as a prohibition against the importation of krugerrands, the South African gold coin.

But if nothing in that initial package would hurt South Africa very much, a second phase of sanctions, to kick in in a year unless the president and Congress certify that there has been satisfactory progress toward the dismantling of apartheid, would begin to draw blood. That second phase would ban new private investments and private bank loans (currently running at close to \$5 billion) and elimination of most-favored-nation status for South Africa.

The specifics of this week's congressional action, however, are fargless important than its seriousness. South Africa is on notice that it can no longer count on the toothless urgings of "constructive engagement," that things will get better between the government and the black majority or else get a lot worse between Washington and Pretoria.

The question South Africa's white minority will have to answer for itself is whether a serious move away from apartheid is a greater danger than the loss of U.S. economic cooperation. In other words, can the government find some way out of its self-imposed mess, that still protects the basic interests of whites?

A relatively short time ago, the an-

American activists like to talk of one man, one vote, which South African whites tend to equate with suicide. But there was reason to believe that serious negotiations with South Africa's most highly respected black leaders might have produced a compromise that both white and nonwhites could live with.

The trouble was what the trouble in these situations nearly always turns out to be. Those who hold the preponderance of power are seldom interested in negotiating any of it away—until they are left without alternatives. And by then, the demands may be uncomfortably high.

The South African government, in a desperate attempt to keep all power in the hands of whites, has undertaken a series of actions—including the foolish refusal of President P. W. Botha to meet with Bishop Tutu and, more recently, a ban on rallies at funerals—that seem certain to radicalize even the most moderate black leaders.

The more government officials follow that path, the more likely that blacks will settle for nothing less than one man, one vote, which means that the prospect for a peaceful outcome becomes dimmer and dimmer.

The best hope for now is that South-Africa, to avoid the snowballing of economic sanctions, might decide to back off its deadly course and start moving in the direction of racial justice.



The Making and Remaking of Foreign Policy

By LESLIE H. GELB

Special to The New York Times

WASHINGTON, Aug. 1 — It is
standard operating procedure for administrations to everhaul, modify or
trim their foreign policies and deny it
all the while.

Consider the Reagan Administra-tion's South Africa policy. Called "constructive engagement," it means trying to change South Af-rica's system of racial separation through persuasion rather than con-

But in recent weeks, among other things, the Administration has re-called its Ambassador to Pretoria oratory.

oratory.
According to Administration offi-cials, all that is going on is some tacti-cal trimming. And White House and State Department spokesmen are not even acknowledging that much pub-licly.
But upon closer inspection, it ap-pears that the Administration has been forced to take these and other

Whither the plan for 'constructive engagement' in South Africa?

steps that run counter to the construc steps that run counter to the construc-tive engagement policy and are more "confrontational" than "engaging." Based on reports today, President Reagan would draw the line at eco-nomic sanctions and veto Congressional legislation that tried to impose

The process of making alterations but denying that they are being made is not historically unique. President Johnson put a lid on

is not historically unique.

President Johnson put a lid on American troops in Vietnam and insisted that it represented no policy charge. President Nixon wanted to get an agreement reducing Moscow's heavy missiles, did not get it, and said what he got was what he wanted all along. President Reagan sent a Marine contingent to Lebanon to defend vital American interests there, and after more than 200 were killed in a terrorist bomb attack, he "redeployed" the unit out of Lebanon and said his policy had achieved its aims.

About the only recent President to

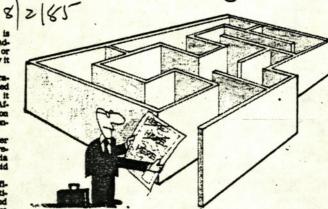
About the only recent President to admit he changed his mind about anything was Jimmy Carter. At the start of his term he spoke about "the inordinate fear of Communism." After the Soviet intervention in Afghanian the sound in Afghanian and the start has so the start of the sound in Afghanian and the start of the sound in Afghanian and the start of the st

ditate fear of Communism." After the Soviet intervention in Afghanistan, he said he had underestimated the Soviet threat. By testimony of those around him, he came to regret changing his mind publicly.

To openly admit a policy change, even a modest one, is for a President to grant he made a mistake. One mistake opens the door to fallibility in general, and those with political power seem to be more comfortable with people questioning their veracity than their judgment.

The Reagan Administration also appears to fear the consequences in South Africa of talking openly about any policy changes. As Frank G. Wisner, the senior deputy to Chester A. Crocker, the Assistant Secretary of State for African Affairs, put it: "We must act responsibly. There's a lot of gasoline on the floor in South Africa, and the last people who should strike a match is the Americans."

Beyond this, Administration officials dealing with South Africa show every evidence of still believing that



their policy of constructive engage-ment, over all, is the right one. Pri-vately and publicly, they say that other approaches that entailed con-fronting and condemning have failed and that there is no alternative to working with Pretoria.

The officials cite the decision this week by Pretoria to recall its Ambas-sador-designate to the United States.

week by Pretoria to recall its Ambas-sador-designate to the United States. Despite having recalled their own ambassador, the Reagan officials do not want to lose all formal diplomatic touch. They worry about the snow-balling effect of American-toughness followed by South African-toughness followed by more of the same.

Nevertheless, over the last few weeks the Administration itself has done a number of things that seem clearly to run counter to "construc-

clearly to run counter to "construc-tive engagement":

¶President Reagan signed a bill that included a ban on the sale of com-puters to the South African police.

¶Ambassador Herman W. Nickei

GAmbassador Herman W. Nickei was recalled after the South African forays into Botswana and Angola.

GCondemnations of the racial separation system or racial discrimination became louder and clearer, such as White House spokesman Larry Speakes saying that the system was "largely responsible for the violence" in South Africa at this time.

To be sure, these actions are being forced on the Administration by events in South Africa and in Congress. High-ranking Administration

gress. High-ranking Administration officials without exception make

clear that they strongly prefer to stick to constructive engagement as closely as possible.

The furthest Administration offi-

cials have gone is to describe the deviations from the policy as "tacti-

cal."

The officials are also careful to say that no policy review is under way, that they are, instead, reviewing "the situation." Such phrasing is frequently a euphemism in the capital for something more than a review, and in the case of South Africa it appears to mean that officials are waiting to see how far they will have to go to respond to events or how far they will be pushed by Congress.

A Design to the Detailed

. A Design in the Denials?

Sometimes in the past when Administration denials of policy change turned out to be 130 degrees from the truth, the denial, in retrospect, seemed designed to enable the Adseemed designed to enable the Ad-ministration to spring an accom-plished fact on potential opponents of policy change before they had a chance to gather their forces. Presi-dent Nixon, for example, denied he was even thinking about an opening to china at the very moment Henry A. Kissinger, his chief troubleshooter and national security adviser, was ar-ranging secretly to visit Peking. It is doubtful that anything like that

is going on regarding South Africa policy. But in any event, the Adminis-tration's critics continue to push for significant change, for toughening the

policy.

Senator Nancy L. Kassebaum, the
Kansas Republican who is chairman
of the Foreign Relations Subcommit-

the on African Affairs, says the Administration might start with dropping the very name "constructive engagement" because it has come to be perceived as pro-Pretoria.

To Representative Howard L. Ber-nan, Democrat of California, a memman, Democrat of California, a member of the Foreign Affairs subcommittee on Africa, "The Administration policy toward South Africa is in shambles, and has been repudiated by overwheiming margins in the House and Senate." He was referring to House and Senate bills dealing with sanctions against South Africa that were reconciled Wednesday in conference, more along the lines of the were reconciled Wednesday in con-ference, more along the lines of the milder Senate bill. What will it take to convince the Ad-

ministration that its policy toward South Africa has failed and needs, more than review or trimining?

South Africa has failed and needs, more than review or trimining?

"South Africa has to be judged by, Western standards of human rights," one high-level Administration official, replied. "If the internal peace process stopped dead, w.'d have some real problems. We might not like the peace and be haited."

Meantime, Administration officials argue that about all they can do is to-turge talks between South Africa and black leaders to end the state of emergency. Underlying that argument is the official judgment that the United States has little or no real power to affect the course of events with or without sanctions and tough talk.

Anthony Lake, an architect of the Carter Administration policy toward South Africa and now a professor at Mount Holyoke, put it this waysn "Reagan Administration officials: have discovered that South Africa is less interested in the carrots of good: relations then they thought, just as Carter officials realized that South Africa is less fearful of Administration sticks and displeasure than they thought."

It may be that when the dust settled in South Africa and Congress, the Adjunctions and Congress, the Adjunctions and Congress, the Adjunction and Congress and Congress

It may be that when the dust settles in South Africa and Congress, the Ad-ministration will still be talking about and believing in "constructive and ministration will still be talking about and believing in "constructive engagement." But given the acknowledgment that the United States has little or no real power to effect change in South Africa, a policy of constructive engagement might end up as a policy in name only.

Group Funerals Outlawed For S. Africa Riot Victims

day banned group funerals for riot victims. Clergy-men said denying blacks one of their last legal means of venting anger against white rule would cause more bloodshed.

cause more bloodshed.

Bishop Desmond Tutu said he planned to defy the ban at outdoor services today. Tutu, the Anglican bishop of Johannesburg and a Nobel Peace Prize laureate, told Britain's Independent Television News that he will speak at an outdoor funeral for riot victims in Parys, south of Johannesburg.

He said he would "speak as I have always spoken," and address political and social concerns.

The funerals, held outdoors, have attracted thousands. Many have been followed by violence.

The restrictions ban outdoor services and funerals

The restrictions ban outdoor services and funerals for more than one person. Only ordained clargymen may speak and they may not mention police ac Flags, banners and posters will be prohibited.

A government notice said mourners would have to travel in vehicles. That would end the common practice of marches staged by defiant, chanting youths from churches to semetaries.

Foreign ministers of the 10 Common Market

countries, meeting in Heisinki, Finland, agreed to recall their ambassadors from South Africa for consultations to protest that country's racial policies, a Common Market statement said today.

Tutu said the government's state of emergency was adding fuel to the black unrest, and that any peace will be temporary. "The consequence of putting the iid on is merely to allow the steam to build up, and the pressure increases. And before you can say Jack tobinson, you have an almighty explosion," he said. The Rev. Allan Bossak, an anti-epartheid leader,

said the restrictions would lead to increased vio-lence. "It seems that this government wants bloodshed," he told a rally in Cape Town. [The South Africa Media Council ruled that the

scurity police publicised an extramarital affair be-tween Boesak and a church worker in an attempt to discredit him, the Los Angeles Times reported. The council, which has legal authority to act on allegations of wrongdoing by the news media, dismissed a complaint by the police that the Johannesburg Star, the country's largest daily newspaper, had defamed the police with a charge that the authorities were trying to smear Bossek in a program of political "dirty tricks."]

The Rev. Beyers Naude, white secretary-general of the South African Council of Churches, said funerals were one of the "last remaining chennels" for political dissent. As many as 60,000 mourners have attended some recent buriais.

"If these funerals are now increasingly being controlled or curtailed, black anger will increase" and frustrated black communities "will eventually defy such restrictions — thereby causing more con-flict and clashes," Naude said.

Police, meanwhile, reported new violence in black townships. A patrol shot a black man to death in Cathourt in the eastern Caps Province. He was the 20th black killed since a state of emergency was imposed July 21 in 36 towns and cities.

Black Cops Stuck in the Middle, Page 15



House, Senate Agree On List of Sanctions

By Roy Gutman

Newscay Washington Bureau

- House and Senate conferees Washington agreed last night on punitive sanctions against South Africa that would sever a variety of economic ties with the white minority government such as sale of gold Krugerrands in this country. The bill, intended to press home U.S. demands for an end to the apartheid system of racial separa-

tion, contains four measures that would take effect immediately.

They are a ban on importing gold Krugerrand coins, the prohibition of private bank loans to the retoria government, suspension of nuclear cooperation, and a halt to U.S. computer sales to South Africa agencies that implement apartheid. The Krugerrand ban could be lifted on presidential determ tion that South Africa had taken major measures toward eliminating apartheid.

The legislation calls for more severe actions in one year, such as a ban on new private investments or elimination of most-favored-nation tariff treat-ment, unless South Africa makes significant pro-

gress to eliminate apartheid.

Both houses of Congress and President Ronald Reagan must approve the bill for it to become law. Although passage is assured in the Democratic House, its prospects in the Republican-controlled Senate are complicated by the threat of conserva-tive Sen. Jesse Helms (R-N.C.) to conduct a filibuster against it. And it was unclear last night whether Reagan would sign the bill. Reagan has opposed sanctions against South Africa, but events in South Africa and in domestic politics have forced him in the last week to voice stronger criti-

Sen. Richard Luga: (R-Ind.), chairman of the Senate Foreign Relations Committee, plans to introduce the measure today. A staff side said Lugar thought supporters could muster the 60 votes needed to defeat a filibuster before Congress breaks this week for its August recess.

If enacted, the sanctions would have a marginal economic impact on South Africa but probably far more symbolic significance. Supporters said the mea-sures signal U.S. impatience with South Africa's slow pace of racial reform and anger over its current state of emergency. More important for the longer term is that passage of the bill will be interpreted as the collapse of congressional support for Reagan's poli-cies. If Reagan signs the bill, supporters of the bill said, it would spell an end to Reagan's policy of "constructive engagement" with South Africa

Chase Reported to Stop Loans

Johannesburg (AP) — Several bankers, speaking on condition of anonymity, said the U.S. Chase Manhattan Bank had stopped extending lines of credit and making new loans to South African banks and

Simon Stewart, Chase Manhattan's managing director in South Africa, declined to confirm or deny the report, but other bankers said it contributed to a sharp fall in the South African rand.



Uneasiness on South Africa Grows

By NICHOLAS D. KRISTOF

Many of the 300 American companies operating in South Africa are increasingly uncomfortable with their presence there, and some are looking for ways to retreat or reduce their involvement, according to interviews yesterday with executives at dozens of these companies.

Virtually all of the major American concerns that have plants in South Africa say they plan to remain there. But they also say they are closely following the growing unrest in that country. And companies that can pull out easily, such as banks, are beginning to do so.

Tidwell industries, a manufacturer of mobile bornes with headquarters in

Haleyville, Ala., said yesterday that it was selling its South African subsidiary to a company based there

sidiary to a company based there.

Tidwell began producing mobile homes in South Africa 16 months ago. It drew unfavorable publicity because it refused to sign the Sullivan Principles, a voluntary code of conduct adhered to by many American businesses that operate in South Africa. Companies observing the code promise to treat black and white workers equally and to work for political change in South Africa.

"With the economic situation over there what it is, we felt we needed to take our lumps and get out," said Thomas L. Smith, Tidwell's internal auditor.

Some banks are re-evaluating their policies. The Chase Manhattan Cor-

poration has become the first major American banking enterprise to stop lending to private borrowers in South Africa, banking sources said Wednesday. And yesterday two other banks said they had reached the same decision. The Norwest Corporation, a major bank holding company in Minneapolis, and Harris Bankcorp, which owns Chicago's third-largest bank, said they would make no new loans in South Africa.

Almost all the executives who were interviewed said their companies' doubts were a result of deteriorating business conditions in South Africa, which has suffered a severe drought and recession for the last three years, and not a result of mounting pressure

Continued on Page D4



Uneasiness on South Africa Increasing

Continued From First Business Page from American activists to sell off South African holdings. Moreover, the companies insist that they are helping South Africa's blacks by con-

tinuing to do business there.

But the pressure of the divestment movement — the "hassie factor," as some call it — takes a toll, some executives acknowledge. A company may find that its South African subsidiary find that its South African subsidiary, usually accounting for less than I percent of worldwide sales, requires much executive time and energy.

Business consultants who advise

Business consultants who advise major corporations on the risks of operating in various countries are taking an increasingly gloomy view.

"We are advising clients to be very cautious and consider making plans to get out if the situation gets worse," said Kenneth J. McCarthy, acting director of research at Rinfret Associates, a New York consulting firm. "We're saying, 'Have a plan to write off your South African operations overnight if necessary.'"

Mr. McCarthy said his firm's corporate clients were reporting sub-

Mr. McCarthy said his firm's corporate citents were reporting substantially more pressure from shareholders and activist groups.

One indication of the growing domestic pressure on companies is the fact that more than 25 of them have signed the Sullivan Principles this year, according to D. Reid Weston Jr., a senior vice president of Arthur D. Little Inc., the consulting cancern in Cambridge, Mass. Those that have

signed now total more than 150.
The pressure on companies with
South African ties began to increase
during last year's election campaign.
The unrest in South Africa, leading
to the Government's declaration 12

days ago of a state of emergency, is worrying companies.

"We are very concerned about the Government's actions there," said Roger Shelley, a vice president of Revion Inc., the cosmetics producer.

"We constantly monitor it and talk about it frequently at our management meetings. It's clear that this is a part of the world that troubles us greatly from a political viewpoint.

"On the other hand," he added, "we're mindful of the fact that it's important to stay in business there.

important to stay in business there.

Corporate America has to join the American Government as a force for change. The easiest thing to do is to cut and run, but that has never been

cut and run, out that has never been this country's response to trouble."

Other companies besides Tidwell that have curtailed operations in South Africa this year include Blue Bell Inc., the Pericin-Elmer Corpora-tion Persion the Singer Company

inc., The Perion Elimer Corpora-tion, Pepsico, the Singer Company and Pan American World Airways.

The International Harvester Com-pany, based in Chicago, also said yes-terday that it was leaving South Af-rica. "For all intents and purposes, we're out of South Africa or are in the process of leaving," said William Greenhill, a company spokesman.
"But all of this is part of our bigger decision to move away from agricul-tural machinery. No link should be made between this move and any political decisions."

Some companies are increasing their operations in South Africa, according to Kenneth R. Mason, executive director of the American Chamber of Commence in South Africa.

"If expansion is possible, they'll definitely do it," Mr. Mason said by

telephone from the chamber's office in Johannesburg. "Some are engaged in new construction. And we have some new entrants — two new companies said last week they were coming in." He said he could not recall the

ames of the two companies. A more common view, however, is that new investments are unlikely. "Future investment is the real ques-tion," said John H. Wood, director of tion, said John H. Wood, director of public affairs at the American Home Products Corporation in New York.

"A prudent management would carefully re-evaluate the situation before fully re-evaluate."

fully re-evaluate the situation before going further."

Partly because there is little new investment in South Africa these days, the decision of banks such as Chase Manhattan to quit lending in that country's private sector will have little effect, several executives said. Furthermore, banks outside the United States are always available to make loans in South Africa.

United States are always available to make loans in South Africa.

A bill to impose sanctions on South Africs, which the House of Representatives passed yesterday, also will apparently have little effect, they added. The measure would ban the importing of South African gold coins and ban lending by American banks to the South African Government.

Some major companies with size.

to the South African Government.

Some major companies with sizable operations in South Africa declared that they would stay. "We have decided to remain in South Africa and confront apartheid on a day-to-day basis in the workplace, in the marketplace and through public discussion," said Michael Datton spokesman for the International Phasiness Machines Corporation.

The Beatrice Companies, the Chicago-based food and consumer prodcago-based rood and consumer prod-ucts concern, also intends to remain in South Africa, where it employs about 400 people in making intimate apparel for the local market, accordcommunity relations for the compa-

community relations for the company's International Playtex division.

Other companies expressed caution. "We're trying to keep our finanagement apprissed" of circumstances
in South Africa, said Barbara M.
Kommer, manager of investor communications for the Hewlett-Packard
Company. "There are no decisions at
this point. Obviously the situation is
very fluid, and we are looking-at it very fluid, and we are looking-at it continually."

"The political sensitivity has in-"The political sensitivity has increased our concern," Said Sidney H. Doggett of the American Cyanesmid Company, "and we have our vice president of international operations in South Africa now, evaluating our operations. But we haven't felt overall that any change in our situation is likely." Mr. Doggett is assistant to the international vice president."

Banks are in a much more flexible position because they can simply stop making new loans and, if the climfate improves, resume without difficulty. Only three American bank holding companies — Ciricarp, Chase Manhattan and the NCNB Corporation—have offices in South Africa.

NCHB, based in Charlotte, NCL, will probably reduce private sector.

will probably reduce private sector lending in South Africa, said Russell J. Page, a senior vice president



11 More Nations Recall Pretoria Envoys

By FRANK J. PRIAL

HELSINKI, Finland, Aug. 1 — In a signal of displeasure over the situation on South Africa, 11 more Western European nations recalled their ambassadors from Pretoria today for what were termed consultations.

The foreign ministers of the 10 members of the European Economic Community, and of Spain and Portugal, all of whom are here for the meeting marking the 10th anniversary of the Helsinki Declaration on European Se-curity, decided on the measure at a four-hour meeting on South Africa on

Wednesday night.
One Common Market member,
France, recalled its Ambassador to
South Africa last week and barred new investment in South Africa.

Sources close to the Common Market ministers said that the discussion never reached the point of deciding on specific sanctions to impose against South Africa. Opposition to any kind of sanctions was apparently overwhelming from the outset of the talks.

For and Against Sanctions

West Germany and Britain were said to be leaders among the anti-sanctions group. France apparently was almost alone in supporting sanctions, with Belgium leaning toward the French posi-

"took note of the debate and reschition in the United Nations Security Counand reaffirmed their adherence to their anti-apartheid declaration of July 22, particularly its condemnation of the state of emergency proclaimed in various parts of South Africa by the Pretoria Government.

They also condemned, the statement aid, "the refusal of the South African Government to meet with Bishop Des-mond Tutu." The statement added, "They repeat their appeal to that Gov-ernment to open a dialogue with all the representatives of the black majority."

In announcing the decision to recall the ambassadors, Luxembourg's Foreign Minister, Jacques F. Poos, as spekesman for the group, said the nations remained divided on the issue of economic sanctions. "There are certain exercises are constituted in the members of the property of the members." tain reservations among the member states against economic measures against South Africa," Mr. Poos said.

Certain Restrictions

At the same time, the foreign ministers' joint statement noted, "All the countries of the Community have imsed certain restrictions on their relations with South Africa.

When the Common Market took ac tion today, it was the first time since the three-day Helsinki conference opened Tuesday that events were not dominated by the activities of the United States and the Soviet Union, especially the debut in the West of the

Soviet Union's new Foreign Minister, Eduard A. Shevardnadze. With direct Soviet-American meet-

ings over, the two nations' delegations left Helsinki earlier today, well before the conference's closing ceremonies. Just before his early morning departure, Secretary of State George P. Shultz met briefly with Avital Shcharansky, the wife of the Soviet dissident Anatoly B. Shcharansky. The nature of their conversation was not dis-

Three of the Common Market foreign ministers held news briefings today to explain their own countries' views on the Community's relations with South Africa. Sir Geoffrey Howe of Britain, accepting the majority view, said eco-nomic sanctions "had not by experinomic sanctions ence, been very effective." At the same time, he added: "We share passion-ately the view that apartheid is an evil foundation for a system of Govern-ment. It cannot be defended."

Reaction From France

Foreign Minister Roland Dumas of France, which imposed its own sanc-tions last week, noted with satisfaction that the other Common Market countries' ' "position has come closer to

Hans-Dietrich Genscher of West Germany, an early opponent of economic sanctions against Pretoria, said the Common Market must "endeavor to establish a political strategy" for deal-ing with apartheid. In what was inter-preted as a light slap at the French for acting on their own, Mr. Genscher said: "Every step we take must be in the context of that strategy. We must set up an inventory to see what some santes have already have done in this

Asked if there had been any serious differences of opinion expressed in the four-hour meeting, Mr. Genscher said: "There was no fight last night. We proeded to a common analysis of what cesded to a common analysis of what has taken place since our last meeting on July 22 when the 10 nations, plus Spain and Portugal, agreed in condemning apartheid."

Mr. Genscher noted that West Germany, "a couple of years back," was the first nation to set up a "code of good conduct for European forms in Couth

conduct for European firms in South
Africa." The code, which would be
voluntary, would encourage business
dealings that "improve the social
situation of black workers," he said.

Meeting on South Africa

The ambassadors to South Africa will return home later this month, ac-cording to Mr. Dumas. They will work with their respective foreign offices to prepare a strategy to present to the Common Market foreign ministers at a meeting on South Africa to be held next

Finland, as host nation here, sought today to promulgate a final communi-que on the results of the three-day ses-

sion. The idea was sidetracked after it met with opposition from many of the participants, who saw the conference principally as an informal gathering.

Sir Geoffrey was among those op-posed to the communique. "I would have agreed," he said, "on a communiqué listing all those who attended. Had we produced a document that went be-yond that, it would have been a considerably less profitable meeting.

The U.N. Today

Aug. 2, 1985

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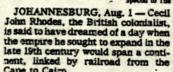




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Sanctions by South Africa Might Hurt Black Nations



nent, linked by rantose have cape to Cairo.

The dream, in a way, came to a helt in the tawny savannahs of central Africa, when it collided with the equally grandiose vision of King Leopold of the Belgians, and the railway Rhodes the Belgians, and the railway Rhodes. is now the border between northern Zambia and Zaire, the former Bel-

gian Congo.

But the legacy remains, so that for many African nations, all railroads lead if not to the Cape then to South African ports. Thus, when the leaders of South Africa's white minority Gov-United Nations or American sanc-tions by punitive measures against black-ruled neighbors, they are touching a raw nerve of economic reliance

That reliance, however, seems off-set by the benefits South Africa itself derives from its ties with black-ruled nations, which would be jeoperdized nations, which would be jeoparatized by economic sanctions against them. The black-ruled neighbors would suf-fer most, but there would also be some losses — probably bearable — for an isolated South Africa.

Foreign Workers Important

Black African dependence on South Africa is rooted not only in trade and transport ties, but also in the hun-dreds of thousands of foreign black workers who find employment in South Africa that they cannot find in their own countries.

According to South Africa's Chamber of Mines, for instance, 288,000 foreign blacks work in the country's mines alone. Their earnings last year were estimated at \$1.1 billion, half of which was repatriated to their countries. The countries include Lesotho, with 108,000 mine workers in South

with 108,000 mine workers in South
Africa; Mozambique, with 50,000;
Botswama, with 18,000; Malawi, with
19,000, and Swaziland, with 13,000.
Since many families in Africa are
large, the number of people dependent to some degree on the remittances
of mine workers could be at least 1.8
million. million.

in addition, many black workers, possibly over one million, work in South Africa illegally.

Other Trade Routes Severed

Moreover, a history of unrest and revolt - much of it provoked by South Africa - in a broad swath of land stretching from Angola to Mozen-bique has severed the trade routes some black-ruled nations might use to escape dependence on the subconti-nent's economic giant.

Once, for instance, Zaire was able to export much of the mineral wealth of its southern mines on the Benguela Railway through Angola. But that route has been closed since the civil war of 1975-76.

Thus, it is estimated that Zaire now Thus, it is estimated that Zaire now exports over 40 percent of its copper and other minerals on the 2,200-mile "southern route" through Zambia, Zimbabwe and South Africa. Its principal alternative within its own frontiers is an unwieldy rail-river route to the port of Matadi, where shipments also at least two process. take at least two months from the mines to the Atlantic Ocean.

Increasingly, too, Zaire is using the southern route for imports of food, coke, coal and explosives for its mines. Almost 60 percent of its imports are said to use the route.

Zambia Heavily Dependent

In Zambia, according to South African figures, 70 percent of imports and 40 percent of exports — principaily the copper on which the nation depends for its survival — pass through South African ports.

For Zimbabwe, which has a prefer-ential trade agreement with South Africa, the figures suggest that 68 per-cent of imports and 65 percent of ex-ports are routed through South Af-

As alternative, once, was the rail-road to Maputo, but it has been closed for months as a result of a rebellion for months as a result of a rebellion sponsored, once, by South Africa. South Africa says that since a non-aggression pact with Mozambique was signed on March 16, 1984, it no longer backs the rebels. The railroad, however, remains a deserted track of

According to figures compiled by South African economists, Malawi also relies heavily on South African routes, for 60 percent of imports and 50 percent of exports. Botswana, Lesotho and South African-controlled South-West Africa depend totally on routes through South Africa.

But South Africa's threat of counters through South Africa's threat of counters are southern and south Africa's threat of counters are southern as a south Africa's threat of counters are southern as a south Africa's threat of counters are southern as a south Africa's threat of counters are southern as a south Africa's threat of counters are southern as a south Africa's threat of counters are southern as a south Africa's threat of counters are southern as a south Africa's threat of counters are southern as a south Africa's threat of counters are southern as a south Africa's threat of counters are southern as a south Africa's threat of counters are southern as a south Africa's threat of counters are south Africa's threat of counters are southern as a south Africa's threat of counters are southern as a south Africa's threat of counters are southern as a south Africa's threat of counters are southern as a south Africa's threat of counters are southern as a south Africa's threat of counters are south Africa's threat of counters are southern as a south Africa's threat of counters are southern as a south Africa's threat of counters are southern as a south Africa's threat of counters are southern as a south Africa's threat of counters are southern as a south Africa's threat of counters are southern as a south Africa's threat of counters are southern as a south Africa's threat of counters are southern as a south Africa's threat of counters are southern as a south Africa's threat of counters are southern as a south Africa's threat of counters are southern as a south Africa's threat of counters are southern as a south Africa's threat of counters are southern as a south Africa's threat of counters are southern as a south Africa's threat of counters are southern as a south Africa's threat of counters are south Africa's threat and threat are southern as a south Africa's threat are southern a

tersarictions against black-ruled neighbors also has its drawbacks and ms a double-edged sword.

According to official figures, South Africa's trade with black-ruled na-tions has decreased from 1981 levels. But the Reserve Bank in Pretoria reports that exports to black-ruled naports that exports to black-ruled na-tions in 1984 — the equivalent at cur-rent exchange rates of \$450 million — accounted for 6.7 percent of all ex-ports excluding gold, while imports from black-ruled Africa cost the equivalent of \$200 million, 1.9 percent of the overall import bill. Additional-ly, railways and harbors earn reve-nue from the foreign shippers in nue from the foreign shippers in black-ruled countries.





FINANCIALTIMES

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Friday August 2 1985

Pressure on South Africa Filamagnily - 20

AniCONVINCING abstract case for applying economic sanctions against South Africallis ex-twemely hard to construct. Most European governments believe that flows of trade and finance confer such general benefits that they should continue even to countries with abhorrent regimes. The examples are legion and they raise the ques-tion why South Africa should be placed in a different moral category.

In practical terms the argueconomic tions have been spelt out here several times before. Industrial development has already shown itself to be an insidious force for change in the South African, system. Economic isolation more likely to stiffen white South Africa's resistance to reform than to enhance it. Anyone who disputes this assertion must concede that the new tide of anti-apartheid, pro-sanctions sentiment in the U.S. has coinaided with 12 months of particular obduracy and misguidedness in Pretoria Wall Editor If the economic isolation were terproduce recession still deeper than the fone South Africa is already experiencing of would bear as heavily upon the black population and a upon South Africa's black neighbours, eas upon the white minority It might make a violent send to apartheid more likely, but it would not promote a peaceful move towards a constitution in which black South Africans are

play their part in the election of the central government. Let a set the central pressures for referred and dangers of a collapse into violance, are already great in South Africa. The most significant developments of the last year have been the way the basic political aspiration has eclipsed reconomic inequality and the spon-constitutional aspects of anartheid as the central black grievance and the way countries, failed to tral black grievance and the way Community countries failed to black sparticipation in local find a grommon line ion sanc administration is has been discontinuous misurprisingly in light administration I has been of the prior postures unwisely hranded as collaboration. A struck by France and the UK. hreakdown in the services and But they agreed to recall all their ambassadors from South Africa their ambassadors from South their ambassadors from South and their ambassadors from South Africa their amba new threatens, with dire con-sectionies.

citizens; of their dountry and

play their part in the election

retary made last week in which this process. Joint European he firmly opposed economic sanctions of any kind. But the clear list of demands it has realpolitik makes such a stance already made of the government by conviction of the sort led by Mrs Thatcher. In Pretoria without for the sort led by Mrs Thatcher. In Pretoria without for the moment setting out to undermine the South African economy or its trades sentiment as Trunning yery strongly. The U.S. Congress is moving relentlessly towards sanctions. The "UN "Security Some actions could be unconditional," like making the EPC code of condict for European Companies working in South Africa I mandatory.

Council Thas recommended them. The majority of European governments want them. The overwhelming majority of Commonwealth governments want them. The point has been reached where spelling out the logical arguments against sanctions conveys an attitude of appeasement and self-interest, however much Britain insists it abhors apartheid and urges constructive change upon Pretoria. To judge by recent statements made by President Botha, the South African Government is just as inclined to misinterpret Britain's position as anyone else (4 11010110

Joint approach

There is every chance that events in South Africa will make this isolated and misunderstood position harder and harder to justify in the weeks ahead. Britain's balance of economic interest could well shift if governments in the Commonwealth, and the Third world inches it out for criticism. World single it out for criticism. Nor can the Government rule out an ipwelling of anti-South African political sentiment in Britain to match the one in the U.S. in Even in President Reagan's America a observers now find its hard to predict

the sanctions now going through Congress.

After hours of argument on Wednesday night the foreign ministers of the European Community countries failed to Africa and will now draw upon their advice to find out if there Abstracted from the real is a joint approach upon which world such arguments would they can all agree endorse the speech which Sir a Britain has every interest in Geoffrey Howe the Foreign Sectoring to discover, through

conditional, like making the EEC code of conduct for European companies working in South Africa mandatory Others could be made conditional lipon the South African government's future policies. These might include a clampdown for Houropeen participa-tion in loans kuaranteed by the South African government, a ban on the sale of Krugger-rands and a cultural embargo on the fexport of films tele-vision programmes and other forms of entertainment. And the beginning and power sangages as a serial to be a